

Understanding project budgets

Managing a project budget

Introduction to procurement

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Navigating procurement challenges

Review: Managing budgeting and procurement

# Tips for the procurement process

As you have learned, **procurement** means obtaining all of the materials, services, and supplies required to complete the project. You have just learned about the procurement process in project management. To recap, there are five steps in the typical procurement process:

1. **Initiating:** planning what you need to meet your project goals
2. **Selecting:** deciding which suppliers and vendors to use
3. **Contract writing:** developing, reviewing, and signing contracts
4. **Controlling:** making payments and maintaining and ensuring quality
5. **Completing:** measuring your success



During each step of the procurement process, there are some tips that can help you save time and money while ensuring your project’s success.

Tips for initiating

While planning your project, figure out which materials, resources, and supplies you will need to get the job done. During this step, you will decide which items will be internally procured and which items will be externally outsourced. Once you’ve decided which items you need to outsource, compare each of those items specifications, components, quality measurements, standards, and characteristics with your project’s requirements. You may find that some of the items have features you don’t need. If you can identify those unnecessary features, you will know exactly what you want and don’t want in an item, possibly reducing your total cost.

Tips for selecting

Now that you have outlined what you need for your project, you need to determine vendors to source these items. Research and assess various vendors and suppliers, and try to find out if your preferred vendors have a reputation for delivering quality work on time. After you’ve identified your preferred vendors and suppliers, interview them to learn more about their products and services. If possible, make site visits to see exactly how each vendor runs their business in person.

Tips for contract writing

Contract writing requires excellent attention to detail, so pay close attention to the inclusions and exclusions in the vendor’s offer. There may be some items included in the vendor’s price that you can provide in-house at low or no additional cost. For example, the vendor’s offer may include charges for storing materials, using certain equipment, or labor. These are all things that you may be able to provide from your organization’s resources, so you can opt to save costs with the vendor on those items by using in-house materials and resources.

Sometimes, the vendor may write the contract. In this case, checking carefully for clarity and accuracy ensures that you know exactly what you are getting from the vendor. Whether the contract is written by you or by the vendor, you will almost always want to consult with a legal and compliance team to ensure that everything in the contract is ethical and legal.

Tips for controlling

The procurement process isn’t over when the contracts are signed. The next step is to ensure that the work is being done according to the terms of the contract. You will need to periodically review the performance and quality of each vendor. When communicating with vendors, remain professional but firm to ensure that all project requirements are being fulfilled and that all major milestones are being met on time and at cost.

Building and maintaining a good relationship with your vendors benefits the team and the overall project. This relationship will make it easier to make adjustments and contract revisions if the need arises. Taking certain measures, like conducting regular check-in meetings, will ensure that the work is being completed according to plan.

Tips for completing

In the completing step of the procurement process, you will measure the success of your procurements. Ask yourself:

- Were the materials created good quality?
- Were there any issues with labor contracts?
- How were your relationships with vendors?

During this step, it is also important to document any lessons learned. It is likely that you will be involved in another project similar to this one in the future. Take notes about how the procurement process went so you can use this information on a future project.

Key takeaways

Procurement is an ongoing process that can be repeated during the life cycle of a project. You may initiate the procurement process several times over if you need additional deliverables. To do so, you will likely evaluate your current vendors—or select new ones if necessary. If you change vendors or contract terms, you will have to write new contracts. It is important to periodically review the quality of each vendor during the controlling phase and, once everything is finished, document the lessons you learned during the completion phase.

